

FINANCE COMMITTEE REPORT

August 2, 2011

A Finance Committee meeting was held Tuesday, August 2, 2011 at 5:30 p.m. in the County Administration Building, Quorum Court Meeting Room, 215 East Central, Bentonville, Arkansas.

Committee Members Present: Allen, Moore, Jones, J. Harrison, Douglas
Absent: Winscott

Others Present: County Judge Bob Clinard, Assessor “Bear” Chaney”, County Attorney George Spence, JPs King, Hawkins, K. Harrison, Sandlin, Curry, and Blaty, Comptroller Richard McComas, Accounting Manager Sarah Daniels, Administrator of Public Service Gary Black, Grants Administrator Richard Redfearn, Administrator of General Services Elizabeth Bowen, Administrator of Public Safety Marshal Watson, D.E.M. Director Robert McGowen.

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Chair JP Allen called the meeting to order.

1. Grants Administrator Report

Grants Administrator Richard Redfearn reported that the Department of Energy – Energy Efficiency & Conservation Block (EECBG) Grant has been awarded for the Westside Road Yard and that the final bids have to be submitted by August 12, 2011.

2. Appropriation Ordinance Request: Additional Carpool Vehicle

Administrator of General Services Elizabeth Bowen stated that the county has two cars in a carpool, (a 2005 Ford Explorer and a 2007 Dodge pickup) and it has been determined that another vehicle is needed. She stated the cost of the vehicle is \$19,500 and that the receipts from vehicles sold at the county auction will be used to purchase the vehicle.

JP Allen stated that the county is saving money but is still going to spend \$19,000 to purchase a vehicle, and asked if the county is saving on the mileage per-diem costs.

Comptroller Richard McComas stated that it would take 38,000 miles of per-diem costs at 55¢ per mile to equal \$19,000, so he thinks the vehicle purchase will be money well spent. JP Douglas added that county business should be conducted in a county vehicle under county insurance.

Administrator of Public Service Gary Black stated that there is a waiting list for use of the carpool vehicles due to the increased number of people requesting them. Richard McComas stated that he feels good about this program.

JP Jones made motion to forward the appropriation ordinance request to purchase another carpool vehicle with a do pass recommendation to the August 9, 2011 Committee of Thirteen agenda, seconded by JP Moore.

Motion passed by unanimous show of hands vote.

3. Appropriation Ordinance Request: Phone Installation at the County Health Dept.

Richard McComas stated that this appropriation ordinance request is for \$7,500 in additional funds for the completion of the phone installation at the Health Department at the Center For Nonprofits, and that this is a carryover from an appropriation made in 2010 but not expended.

JP Moore made motion to forward the appropriation ordinance request with a do pass recommendation to the August 9, 2011 Committee of Thirteen agenda, seconded by JP Curry.

Motion passed by unanimous show of hands vote.

4. Appropriation Ordinance Request: Homeland Security Grants – Fund 293 and Fund 294 Budget Adjustments

Richard McComas stated that this appropriation is to redistribute money which was budgeted from the FY2009 Homeland Security Grant proceeds, Fund 293 and Fund 294, within Department 30, Department of Emergency Management to accurately reflect the expenditures that have been approved by the state.

JP Douglas made motion to forward the appropriation ordinance requests with a do-pass recommendation to the August 9, 2011 Committee of Thirteen agenda, seconded by JP J. Harrison.

JP Jones asked what type of machinery and equipment the county would be buying and what has changed from the original budget.

Department of Emergency Director Robert McGowen stated that originally, an upgrade to the countywide communications system was planned, but there was not enough time to do the project. He stated the D.E.M. Department communicates with individual agencies that provide law enforcement, terrorism prevention, and also talks with municipal police departments concerning their equipment needs, and then submits the equipment list to the Arkansas Department of Emergency Management for approval, so this appropriation is to change the line items in each of the two grant funds.

Motion passed by unanimous show of hands vote.

5. Westside Road Facility

Richard McComas stated that this item will be tabled.

JP Allen stated that there will be a Special Finance meeting on Tuesday, August 9, 2011 at 5:00 p.m. prior to the Committee of Thirteen meeting scheduled for 6:00 p.m.

He stated there will be two appropriation requests on the agenda – one for the Westside Road Department Facility and one for the remodeling expenses at the Public Services Building.

6. Sales Tax Numbers

Richard McComas reported that the county's sales tax numbers are down 29.02 % for the month, and that the county has experienced a decrease in sales tax receipts. He stated that he still feels that the county is on target to make the \$6.3 million projected for 2011.

7. Jail Collections

Richard McComas stated that Jail Collections are up \$324,755 for the year, and the state is current on their payments.

8. Fuel Summary

Accounting Manager Sarah Daniels reported that the Sheriff/Jail Departments' budgets are on target at 53%, and the Road Department is at 66% of their budget, and should be at 60%. She said that the Road Department will go over budget, and that average fuel costs have increased 42% for unleaded and 50% for diesel.

Richard McComas stated that it is anticipated that the Road Department will exceed its budget by approximately \$100,000 to \$150,000, but that a considerable amount of that will be made up in FEMA reimbursements for extra mileage and extra fuel. He added that 54% of the budget has been spent at this point in the year, so with 46% of the budget left to spend for the rest of 2011, we will finish the year about \$1 million behind on fuel.

JP K. Harrison asked if FEMA is going to reimburse any of the Sheriff's Department's mileage. Administrator of Public Safety Marshal Watson stated that FEMA does not reimburse for functions that are performed during emergencies which are considered standard practice for law enforcement or fire entities. He added that in the Road Department, the mileage is based on repair of a specific location. He stated that salaries are only reimbursed when it is an overtime situation; the county is responsible for the first forty hours.

9. Monthly Expenditure Report

Sarah Daniels reported on the Monthly Expenditure Report and stated that at this point in the year, budgets should be at 58.5%, and the General Fund is at 58.3%. She stated everything is on target, and expenditures are where they need to be.

JP Douglas stated that the Transportation Committee forwarded an appropriation request for \$10,000 to the Finance Committee to conduct the Benton County Fall Clean Up.

JP Douglas made motion to approve the appropriation request and forward to the August 9, 2011 Committee of Thirteen agenda, seconded by JP Jones.

Motion passed by unanimous show of hands vote.

10. 2012 Budget Preparation

Richard McComas stated that each of the Department Heads and Elected Officials have received budget packets with instructions and forms for the 2012 Budget, including the county's operating budget and capital expenditure requests.

McComas stated that the capital expenditure requests will be the first section of the budget to be dealt with, and that those requests are to be completed and returned to the Accounting Office by August 22nd. He stated that between August 23rd and August the 31st the Accounting Department will meet with each of the Elected Officials and Department Heads and review the budget requests before they come to the Finance Committee. He stated that if they have any questions about an Elected Official's budget, the Finance Committee can request that the Elected Official attend a meeting to discuss the budget items.

Richard McComas explained the remaining date deadlines:

- 1) September - Supplies and Other Service budgets are due
- 2) October 1 thru 7 - Accounting prepares 2012 Revenue estimates based on actual Revenue figures from the first three quarters of 2011, and estimated Revenue figures for the fourth quarter of 2011.
- 3) October 24 thru November 18 - the Finance Committee reviews budgets with the Comptroller and Elected Officials and managers if necessary
- 4) November - Finance Committee submits the 2012 Budget to the Quorum Court for review and approval; Quorum Court certifies the millage rate
- 5) December - Quorum Court finalizes budget decisions and adopts the 2012 Budget

JP Moore stated that he expects the 2012 budget to be close to this year's budget. He added that during the preparation process, Richard McComas oversees and does all of the heavy lifting, leaving the Justices of the Peace with a manageable workload, and that it is a much better process that it used to be.

JP Allen encouraged the six new Justices of the Peace to get actively involved in the budget process. He added if they feel that they need to have input, they should ask questions, because there are no dumb questions.

Marshal Watson reported that the county has received \$60,000 in reimbursements from FEMA for overtime costs associated with the ice storm.

Richard McComas stated that the county is expecting to receive \$850,000 to \$1 million in reimbursements for damage caused by the flooding.

11. Other Business

JP Allen announced that the next Finance Committee meeting will be Tuesday, September 6, 2011 at 5:30 p.m.

JP Allen announced that there will be a Special Finance Committee meeting Tuesday, August 9, 2011 at 5:00 p.m., prior to the Committee of Thirteen meeting.

Upon motion and second the meeting adjourned at 6:28 p.m.